FOLEY

FOLEY & LARDNER LLP

ATTORNEYS AT LAW
777 EAST WISCONSIN AVENUE
MILWAUKEE, WI 53202-5306
414.271.2400 TEL
414.297.4900 FAX
foley.com

WRITER'S DIRECT LINE
414.297.5624
eireland@foley.com EMAIL

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VIA FEDERAL EXPRESS

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: RIN 3064-AD37: Notice of Proposed Rulemaking Regarding Unlimited Deposit Insurance Coverage for Non-interest Bearing Transaction Accounts

Dear Mr. Feldman:

We respectfully submit the following comment on behalf of AnchorBank, fsb ("Anchor"). Anchor is a federal savings bank with its principal office located in Madison, Wisconsin, and is currently participating in the FDIC's Transaction Account Guarantee Program.

The proposed language of Section 330.16(c)(2) provides that institutions participating in the FDIC's Transaction Account Guarantee Program on December 31, 2010--

> "must provide a notice by mail to depositors with negotiable order of withdrawal accounts that are protected in full as of that date under the Transaction Account Guarantee Program . . . . that, as of January 1, 2011, such accounts no longer will be eligible for unlimited protection, but instead will be insured under the general insurance rules up to the SMDIA of $250,000."

The question is whether this language requires notice to all depositors who hold NOW accounts in affected institutions, or only to depositors who may be affected by the change in deposit insurance coverage.

We suggest that the final rule make clear that this notice is required to be sent only to depositors whose FDIC insurance coverage might reasonably be expected to be affected by the termination of the Transaction Account Guarantee Program, and not to all depositors with NOW accounts.

Most depositors with NOW accounts will not be affected at all by the termination of the Transaction Account Guarantee Program, because their account balances are much lower than the $250,000 Standard Maximum Deposit Insurance Amount. Their accounts will be fully insured in any event, so termination of the Transaction Account Guarantee Program will not affect the FDIC insurance coverage applicable to this large group of customers.

Sending the notice to these non-affected customers would have the potential to confuse (and perhaps concern) those customers about the extent of their deposit insurance coverage. There is no reason to engender that confusion, given that non-affected customers will not lose FDIC insurance coverage as a result of termination of the Transaction Account Guarantee Program.

Clarification of the notice requirement would also significantly reduce the cost and administrative burden for the banks involved. In the case of Anchor, a notice to all depositors with NOW accounts would require notice to approximately 81,000 depositors. Limiting the notice to affected depositors would reduce the notice requirement to only about 575 depositors. The difference in administrative burden and expense is significant.

Accordingly, we respectfully request that Section 330.16(c)(2) be revised to make clear that the notice to depositors with NOW accounts is required only if the termination of the Transaction Account Guarantee Program can reasonably be expected to affect the FDIC insurance coverage of the customers' accounts. An alternative, and equally effective, approach would be to limit the notice requirement to depositors who have NOW accounts with a bank, and whose total identifiable deposit accounts with the bank exceed $200,000 or $225,000. A cut off below the standard maximum deposit insurance amount of $250,000 would not significantly increase the cost or administrative burden on banks, but would address situations where a customer may have deposit insurance coverage through some kind of indirect relationship, like a mortgage servicing account.

Thank you for your consideration of our comments.

Very truly yours,

Emory Ireland

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